United Nations A/C.2/62/SR.9

General Assembly
Sixty-second session

Official Records

Distr.: General
30 October 2007

Original: English

Second Committee

Summary record of the 9th meeting
Held at Headquarters, New York, on Wednesday, 17 October 2007, at 3 p.m.

Chairperson: Ms. Lintonen ..... (Finland)

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07-54684 (E)

The meeting was called to order at 3.10 p.m.

Organization of work (*continued*)

1. **The Chairperson** read out a revised schedule for the adoption of draft resolutions and decisions on a rolling basis, which would be posted on the Committee's website. Since she heard no objection, she took it that the Committee agreed to the proposed schedule.

2. *It was so decided.*

Agenda item 59: Operational activities for development

(a) Operational activities for development of the United Nations system (A/62/188 and A/62/211)

(b) Triennial comprehensive policy review of operational activities for development of the United Nations system (*continued*) (A/62/73-E/2007/52, A/62/74-E/2007/54, A/62/211, A/62/253 and A/62/326)

(c) South-South cooperation for development (A/62/39, A/62/155, A/62/211 and A/62/295)

3. **Ms. Mayanja** (Assistant Secretary-General and Special Adviser on Gender Issues and Advancement of Women) introduced, on behalf of the Deputy Secretary-General, the reports of the Secretary-General on the triennial comprehensive policy review of operational activities of the United Nations development system (A/62/73-E/2007/52) and on the triennial comprehensive policy review of operational activities of the United Nations development system: conclusions and recommendations (A/62/253), as well as his reports on comprehensive statistical analysis of the financing of operational activities for the development of the United Nations system (A/62/74-E/2007/54) and on comprehensive statistical analysis of the financing of operational activities of the United Nations system: 2006 update (A/62/326).

4. Progress in achieving the Millennium Development Goals was uneven and particularly unsatisfactory for the least developed and African countries. Global economic imbalances threatened the globalizing world economy and economic recovery in many developing countries, while climate change and environmental degradation exacerbated the vulnerability of disadvantaged populations. At the same time, the development cooperation environment had changed enormously, with the new focus on national ownership and leadership, and the emergence of new actors and new types of aid, as well as the steady growth of South-South and triangular cooperation.

5. The United Nations system must decide on its optimum position in that changing landscape so that it could deliver flexible and more effective development cooperation. The continued decline in the core share of total contributions hindered the organizations' ability to discharge their core mandate and the efforts to achieve greater unity and coherence of the United Nations development system, as its component parts competed for resources.

6. That situation called for increased non-earmarked contributions, including core or regular funding, and a review of zero-growth policies concerning assessed contributions to some specialized agencies' regular budgets, while donors must increase the adequacy and long-term predictability of earmarked resources. Fair progress had been made in key areas of operational activities, such as capacity development, South-South and triangular cooperation, the transition from relief to development, gender mainstreaming, and evaluation. Moreover, data had been submitted on 14 United Nations entities, as opposed to 7 in the past.

7. An updated methodology for reporting on financing of operational activities was urgently needed in order to reflect the Organization's current development architecture, mandates and missions. Specifically, the United Nations development system must tailor its responses to the recipient countries' special development needs, respect country ownership and leadership, and delineate more precisely the roles of United Nations Resident Coordinators and UNDP Resident Representatives.

8. **Ms. Sandler** (Ad Interim Executive Director of the United Nations Development Fund for Women (UNIFEM)) said that the report on UNIFEM activities transmitted by the Secretary-General (A/62/188) described UNIFEM partnerships and strategies for achieving four outcomes — pertaining to its four-year plans — that had framed its Multi-year Funding Framework for 2004-2007. It summarized efforts to help countries formulate and implement laws and policies promoting gender equality and women's human rights; build institutional capacity to allocate resources and establish accountability mechanisms to

ensure implementation; strengthen gender equality advocates' capacity to influence and participate in mainstream development policymaking and programming; and eradicate harmful practices and attitudes that perpetuated gender inequality.

9. UNIFEM system-wide initiatives aimed at more effective coordinated action by United Nations country teams and organizations to help countries achieve gender equality. The 2004 Review had been instrumental in stimulating new opportunities, while the Task Team on Gender Equality, chaired by UNIFEM, had enabled the United Nations Development Group (UNDG) to elucidate the nature of country teams' support for gender equality.

10. The Task Team had identified some key gains and gaps. While analysis of gender equality in common country assessments (CCA) and incorporation of gender equity in the results and indicators of United Nations Development Assistance Frameworks (UNDAF) had improved considerably in the period 2004-2006, there was room for significant strengthening of holistic programming to build on the United Nations system's comparative advantages. Although reporting on gender-related activities had increased, information on results and challenges and on the processes used by country teams was still inadequate.

11. Regional initiatives had included examination in southern Africa of United Nations agencies' gender policies, the mapping of donor resources, and the development of a gender expert database, as well as coordination of campaigns to end violence against women with five agencies in Latin America. In the Andean region, UNIFEM had convened the Resident Coordinators and Gender Theme Groups in order to enhance coordination and develop strategies for strengthening gender mainstreaming in the region, an exercise that had resulted in the Caracas and Quito Agreements.

12. Meanwhile, country-level initiatives had included the execution, on behalf of UNDP, of a programme of innovative efforts to coordinate support and advocacy on gender and the Millennium Development Goals in Cambodia, Kyrgyzstan and Morocco, which had generated replicable models. United Nations coordinated action to support national priorities for enhancing women's political participation was on the increase. UNIFEM looked forward to firm guidance from the forthcoming triennial comprehensive policy review for further enhancing effective and coherent United Nations support on gender equality in the context of the reform process.

13. Key elements of stronger action included enhanced investment in initiatives already under way, development of United Nations system-wide approaches for helping countries institutionalize gender-responsive budgeting and promotion of strengthened technical support, evaluation and resources for joint programmes. Midway to the Millennium Goals target date of 2015, the United Nations must show that its components could work together to guide countries towards more effective development, achievement of the Millennium Development Goals, and delivery of gender equality and women's empowerment.

14. **Mr. Zhou** (Director, Special Unit for South-South Cooperation, United Nations Development Programme (UNDP)), introducing the report of the Secretary-General on the state of South-South cooperation (document A/62/295), said that rising trade and investment flows had contributed to unprecedented economic growth in some developing countries. Developing countries were also reshaping international development cooperation, proving that growing South-South cooperation was a complement to North-South cooperation.

15. The increasing involvement of civil society and the private sector in South-South initiatives lay at the heart of many socio-economic transformations, with transnational corporations in the South providing more FDI for the least developed countries. The international community must help translate the new dynamics into real gains for developing countries, especially the most economically and geographically vulnerable and disadvantaged. South-South cooperation was about learning and growing together.

16. The report reflected the Secretary-General's commitment to enhance the coherence of United Nations system support for South-South cooperation and illustrated the positive efforts of many United Nations organizations and agencies to intensify multilateral approaches to development challenges, foster broad-based South-South, triangular and public-private partnerships, and explore innovative mechanisms for the financing of South-South exchanges.

17. He welcomed the offer of Argentina to host the conference to celebrate the thirtieth anniversary of the adoption of the 1978 Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries, which would enhance results for developing countries, especially the least developed countries, small island developing States, and landlocked countries. His Unit was ready to help implement the Committee's decisions on that and other issues.

18. **Mr. Amil** (Pakistan), speaking on behalf of the Group of 77 and China, said that the Group attached considerable importance to the triennial comprehensive policy review of operational activities for development of the United Nations system. The outcome of the review would determine the course of operational activities for the coming three years, and would also be relevant in guiding the other two processes that had an immediate and direct bearing on operational activities. The review process, therefore, should not be pre-empted by any parallel process.

19. The Group of 77 and China believed that the process of review should be driven by a vision of a stronger development role for the United Nations, and by the need fully to implement the commitments undertaken at the various United Nations summits and conferences, including the internationally agreed development goals and the Millennium Development Goals.

20. The United Nations operational activities for development must retain their universal, voluntary and grant-based characteristics, their neutrality and their multilateralism, as well as their ability to respond to development needs in a flexible manner. Operational activities should be carried out for the benefit of recipient countries, at the request of those countries and in accordance with their own development policies and priorities. Not only the United Nations system but the Bretton Woods institutions and bilateral donors also should recognize the developing country ownership, aligning their programmes with national development strategies. Full respect for the national security, territorial integrity and national unity of the States, in accordance with the United Nations Charter, must continue to guide the operational activities of the United Nations system. In particular, there must be no restrictions on the freedom of sovereign national governments to determine their own development priorities, select their development partners, or choose whatever type of relationship they desired with United Nations development entities.

21. The most important issue remained the quantity, quality and predictability of development assistance. The shift from core and non-core resources, to the benefit of the donor rather than the recipient, remained a matter of serious concern. Non-core resources were unpredictable, increased transaction costs and caused wasteful competition among United Nations organizations. Additionally, development assistance should be responsive to national policies and plans, and free from concomitant conditionalities such as a requirement to purchase goods, or engage expensive consultants, from the donor country. Savings made as a result of streamlining should be re-channelled into the United Nations development cluster, not directed elsewhere.

22. Operational activities for development should promote capacity-building. The United Nations system should make optimal use of such national expertise and technologies as were available in the developing countries, ensuring the promotion and transfer of new technologies to them, increasing system-wide capacity by enabling and facilitating recipient countries' access to the full range of services available and promoting the sharing of information on best practices.

23. The robust economic growth of a number of countries in the South had had a significant impact on the current international economic environment as well as on the development prospects of other countries in the South. South-South trade and investment had expanded rapidly in recent years. However, as noted in the Secretary-General's report in document A/62/295, the promotion of equitable and inclusive economic growth and sustainable development remained a key concern among developing countries, many of which continued to lag behind other countries in achieving the internationally agreed development goals, including the Millennium Development Goals. There was thus a need for resources and assistance from United Nations funds and programmes to bolster South-South cooperation, to be viewed as a complement to North-South cooperation, not a substitute for it.

24. The Group of 77 and China supported the strengthening of the Special Unit for South-South Cooperation, and also welcomed the recommendation made by the High-level Committee on South-South

Cooperation to convene a United Nations conference on South-South cooperation on the occasion of the thirtieth anniversary of the adoption of the Buenos Aires Plan of Action, as well as the generous offer by Argentina to host it.

25. **Ms. Ferreira** (Portugal), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Armenia, Moldova and Ukraine, said that effective multilateralism, with a strong United Nations at its heart, was a central element of the Union's external action.

26. The principles of global partnership and mutual accountability for development, established at the International Conference on Financing for Development, provided the overall framework for many stakeholders, including the European Union, to be more coherent and effective in fulfilling their commitments towards the achievement of the internationally agreed development goals, including the Millennium Development Goals. The European Union had recently approved a code of conduct aimed at enhancing cost-effectiveness by reducing transaction costs and improving development results. The 2007 triennial comprehensive policy review was an opportunity for Member States to further the efficiency and effectiveness of United Nations operational activities, thus shaping the role that the Organization could and should play in the global partnership for development at global, regional and country level. While acknowledging the progress made since the previous triennial review, the European Union considered that the system still needed to be improved in order to serve the needs of developing countries in true partnership with them, and in coordination with other development partners, based on each one's comparative advantages.

27. To achieve that goal, the United Nations should continue to lead in assisting governments, at their request, to develop capacities for the implementation of international agreements and compliance with internationally agreed standards. That capacity-building role of the United Nations system, in particular with regard to new aid modalities such as sector-wide approaches or budget support, had to be clearly defined. Furthermore, adequate capacity of, and resources for, United Nations country teams were critical and needed to be further strengthened to allow strategic, flexible and results-oriented action.

28. More could be done to make the United Nations Development Assistance Framework a strategic planning tool for the Organization as a whole, simplifying the variety of funding frameworks and cycles while ensuring harmonization with national planning instruments such as poverty reduction strategies. Further, the Organization's response to country-specific development needs must be based on a collaborative and inclusive process, taking advantage of the wide range of expertise in the system. Mechanisms needed to be developed for discussion and approval of joint United Nations programmes, as many countries would wish their country programmes to be presented in an integral way.

29. The Resident Coordinator system was crucial to ensuring effective coordination of operational activities for development at the country level. While welcoming progress made so far in the selection process, the European Union encouraged further steps to strengthen the system and its legitimacy, with an adequate level of authority and executive power being granted to the Resident Coordinator. Also, a greater separation had to be created between the function of the United Nations Development Programme as manager of the Resident Coordinator system on the one hand and its programmatic function on the other. The Resident Coordinator system needed to be appropriately staffed and funded, and the European Union suggested that a section on "accountability, oversight and governance" should be included in future triennial comprehensive policy review reports.

30. While acknowledging the progress made so far, the European Union encouraged all organizations of the United Nations system to further harmonize and simplify their business practices, not as a mere cost-cutting exercise, but as a contribution to strengthening the credibility and effectiveness of the United Nations system. Savings from gains in efficiency should benefit developing countries by being reinvested in development programmes.

31. As reaffirmed in the World Summit Outcome, gender equality and the promotion and protection of the full enjoyment of all human rights and fundamental freedoms for all were essential to advance development, peace and security. With that aspect in

mind, a growing number of United Nations organizations were adopting human-rights-based approaches to development. One way to mark the sixtieth anniversary of the Universal Declaration of Human Rights in 2008, would be by further mainstreaming of human rights in the work of the Organization, especially at the operational level, without creating new conditionalities for development assistance.

32. Accountability for gender mainstreaming and women's empowerment should be given higher priority within United Nations agencies. That required appropriate staff competence and adequate resources, clear mandates and intensified inter-agency collaboration as well as explicit performance and accountability mechanisms. The European Union supported the strengthening architecture for gender equality and empowerment of women described in the concept note prepared by the Deputy Secretary-General.

33. The European Union placed a high value on South-South cooperation, which should comply with the principles of the Monterrey Consensus and acknowledged principles of aid effectiveness, including recipient country ownership and leadership, primacy of poverty reduction strategies, alignment with country processes and procedures, and focus on institutional capacity development.

34. Making the transition from relief to longer-term development was an important part of efforts to meet the internationally agreed development goals. There had been significant progress, but operational activities in the transition phase still lacked clarity regarding leadership, division of labour and prioritization. The European Union advocated greater use of national capacity, inter-agency collaboration and simplification of administrative procedures and funding structures. In situations of transition, cooperation with other major players was of utmost importance. The European Union welcomed recent institutionalized collaboration between the United Nations and the World Bank and encouraged the building of further synergies among all relevant actors, including regional organizations, civil society and the private sector.

35. It was imperative to ensure multi-year, adequate and predictable core funding for United Nations operational activities and to improve the balance between core and non-core resources. Likewise, a reform agenda was of decisive importance in attracting resources from the increasingly diverse donor community. New actors and aid modalities also provided an opportunity for the United Nations system to have a catalytic influence on the use of overall available resources in pursuit of the Millennium Development Goals.

36. The European Union was willing to consider an increased level of pooled funding, rather than financing for individual projects and programmes, in particular in the context of the efforts by the United Nations to "deliver as one" at the country level. It also encouraged the United Nations to continue considering modalities for the consolidated budgetary framework in the "One United Nations" pilots, so that all sources of funding could be displayed transparently. Future United Nations budgets should be included in partner countries' Medium-Term Expenditure Frameworks to permit better planning and coordination at country level.

37. The resolution on the triennial comprehensive policy review should create an effective monitoring mechanism using distinctive timelines and measurable targets. There should be comprehensive and outcome-oriented evaluations of system performance against the objectives set out by the triennial comprehensive policy review and the different United Nations entities themselves. The European Union maintained its support for results-based management and budgeting, in which monitoring and evaluation of operational activities were key to linking resources to outputs and outcomes.

38. **Mr. Ehouzou** (Benin), speaking on behalf of the African Group, said that the United Nations system's operational activities for development were of great importance for the countries of Africa, characterized as they were by universality, neutrality and multilateralism.

39. The United Nations should redouble its efforts to integrate its activities with national programmes and priorities; strengthen partnership with the recipient countries and promote the building of national development capacities; and mobilize all of its capacity to place all the services and knowledge of the organizations in the United Nations system at the disposal of the developing countries. However, the effectiveness of the operational activities depended in large measure on adequate, long-term and predictable

funding. For that reason, the countries of Africa were distressed by the ongoing drop in the amount of funding assigned to the core budgets for United Nations operational activities. At the same time, funding earmarked for specific programmes and granted to targeted countries was increasing sharply, limiting how development funding could be spent. Under those circumstances, the African Group renewed its call to the developed countries to fulfil the commitment to allocate 0.7 per cent of their GNP to official development assistance for the developing countries, including 0.15 to 0.20 per cent for the least developed countries.

40. The African Group also called for a widening of the base of donors for certain funds and programmes which, while achieving concrete results on the ground, faced a shortage of financial resources that was impeding their activities. That applied in particular to the United Nations Capital Development Fund, to date the only United Nations body whose mandate was to invest exclusively in the least developed countries, of which 34 out of 50 were in Africa. In addition, multi-year funding frameworks would make it possible for the United Nations system to have a medium-term and long-term funding plan. In that connection, the African Group welcomed the distinction being made between contributions for humanitarian assistance and those allocated to long-term development cooperation.

41. The African Group stressed the importance of incorporating a gender perspective in the operational activities of the United Nations system, because the Millennium Development Goals could not be achieved without the full participation of men and women. Gender equality, in public life and in political decision-making, was essential to democracy and constituted the basis for sustainable development.

42. The triennial review offered an opportunity to adopt guidelines which would make it possible for the United Nations to increase its development role. The current year's review should concentrate on the need to strengthen system-wide coherence at country level, on the basis of improved utilization of planning tools and alignment of the programmes of the various organizations involved but also of respect for the differences in their mandates.

43. The African Group also stressed the need for national capacity-building. To that end, use should be made of the expertise in the various countries, within a framework of partnership with the United Nations agencies as well as with other countries, civil society and non-governmental organizations.

44. While there was a need for coordination between the United Nations system and the bilateral donors and global financial institutions, the leadership of the various countries had to play a major role in such coordination. Consequently, the United Nations should promote South-South cooperation, which in recent times had been enjoying a resurgence, characterized by an increase in exchanges between developing countries, notably through investments, subsidies, concessional loans and debt forgiveness. In that regard, the African Group welcomed the deepening of cooperation between Africa and Asia and between Africa and Latin America. Bringing the potential of South-South cooperation into the United Nations system's operational activities for development would enhance the poverty reduction arsenal and assist in the achievement of the internationally agreed development goals, including the Millennium Development Goals.

45. The African Group stressed the need to harmonize the activities of the United Nations and in particular to simplify rules and procedures. Improved coherence could reduce overlaps and lessen transaction costs. Furthermore, follow-up to and evaluation of the operational activities of the United Nations would help to increase their effectiveness, especially if such evaluations were carried out by the host countries. The Resident Coordinator should be accountable not only to the international system but also to the national Government concerned.

46. **Mr. Chidumo** (Mozambique), speaking on behalf of the countries of the Southern African Development Community (SADC), reiterated the need to maintain the fundamental characteristics of operational activities for development, namely their universal, neutral, voluntary and grant-based nature. The review of the operational activities of the United Nations was very important. At the halfway point to the deadline for achieving the Millennium Development Goals, States must fulfil their commitments to increasing ODA and enhancing the role of United Nations operational activities for development. SADC called on developed countries that had not yet done so to make concrete efforts to reach the target of 0.7 per cent of their GNP for ODA to developing countries and the Brussels Programme of Action target of 0.15 to 0.2 per cent for the least developed countries. Despite the positive

trends in contributions for United Nations operational activities, there was a need for greater predictability and long-term stability in funding. The significant increase in supplementary funding to the detriment of core resources was of particular concern.

47. South-South cooperation was a valuable vehicle for technology transfer and capacity-building but was not a substitute for North-South cooperation and should be strengthened through triangular cooperation.

48. A comprehensive and sustainable financial data and reporting system for operational activities, as recommended by the Secretary-General, could bring more coherence and synergy and improve delivery at the country level. The efforts of United Nations agencies, funds and programmes towards standardizing data and statistical practices should be strengthened and combined with the current system-wide reform process.

49. There was still room for improvement in both programming and funding modalities for United Nations humanitarian assistance. The Consolidated Appeal Process monitored by the Office for the Coordination of Humanitarian Affairs was a fundamental tool for resource mobilization for emerging crises, as well as a strategic and planning instrument for future crises. While acknowledging the efforts of the United Nations in disaster response, a review was needed in order to improve their coordination, efficiency and effectiveness, bearing in mind that the various United Nations agencies had different roles to play in disaster management and recovery.

50. The role of Resident Coordinator should be strengthened to better reflect the role of the United Nations system as a development partner by establishing high standards for selection and recruitment and improving training. A comprehensive accountability framework should be implemented with the participation of all United Nations agencies, funds and programmes, resident or non-resident.

51. SADC pledged its full support for the Secretary-General's recommendations for improving the efficiency and effectiveness of the operational activities for development of the United Nations system to enhance delivery at the country level.

52. **Mr. Alim** (Bangladesh) said that the operational activities of the United Nations should focus on sustained economic growth, sustainable development and poverty alleviation in developing countries, in particular the least developed countries, and should be in line with national development strategies. Donor assistance delivered better results when it was provided as direct budgetary support.

53. Coordination and coherence among the organizations of the United Nations system were essential in order to maximize their respective comparative advantages and the response of the United Nations system as a whole to current demands, including implementation of the Millennium Development Goals and the Programme of Action for the Least Developed Countries for the Decade 2001-2010. Cooperation, coordination and collaboration with the Bretton Woods institutions should be enhanced and business practices should be harmonized and simplified, all in line with the priorities of recipient governments. Any new and innovative approach to coordination and coherence must be thoroughly discussed in a transparent and open-ended manner, and should not disrupt agencies' work. High priority should be given to lowering costs related to operational activities for development and improving the efficiency of the activities on a sustainable basis, and any savings should be channelled into programme funding.

54. The transparency and accountability of the Resident Coordinator system were essential and should be based on national ownership and leadership by the host government. His delegation believed strongly that proper evaluation and monitoring of the activities of Resident Coordinators and country teams would enhance the efficiency and results of United Nations activities.

55. It was encouraging that donor contributions to operational activities had increased recently. However, the contributions were primarily in the form of non-core resources and resources dedicated to humanitarian assistance, whereas core resources, the bedrock of operational activities, were declining. The pursuit of coherence and synergy should therefore be linked to a mechanism ensuring that core resources were available on a predictable and long-term basis.

56. The specialized agencies of the United Nations system had yet to accord special attention to the least developed countries. United Nations funds, programmes and specialized agencies and the Bretton

Woods institutions should augment their support to that vulnerable group of countries as a matter of priority. The triennial comprehensive policy review of operational activities should concretely reflect the need for such support. The United Nations system and donor countries should play a major role in supporting South-South and triangular cooperation. His delegation called for a stronger, well-resourced and well-managed Special Unit for South-South cooperation.

57. **Mr. Maksimychev** (Russian Federation) said that the triennial comprehensive policy review of operational activities for development of the United Nations system would play a decisive role in enhancing those activities and determining their effectiveness. It was therefore one of the most important agenda items for the current session of the General Assembly.

58. The ultimate goal should be to enhance the productivity and effectiveness of the catalytic influence of the United Nations system on the social and economic development of each programme country. As established in intergovernmental decisions, multilateral development assistance should be universal, voluntary, grant-based, neutral and non-political in nature. In the course of the triennial comprehensive policy review, the coherence, continuity and evolutionary nature of the reform process should be ensured on the basis of the agreements already reached in the General Assembly and the Economic and Social Council, in particular General Assembly resolution 59/250.

59. National Governments should define the priorities, forms and practical means of cooperation with the United Nations and ensure that it was implemented in the context of the Millennium Development Goals. The resolution on the review of operational activities had to provide for flexibility for United Nations operational agencies and their country representatives in view of the multiplicity of situations in different countries.

60. In relation to further strengthening of the Resident Coordinator system, a balanced and pragmatic approach was needed. The best role for Resident Coordinators was that of facilitator within the framework of a United Nations country team acting on a basis of collegiality, as mentioned in the Secretary-General's report. It would be counterproductive to attempt to transform Resident Coordinators into a kind of United Nations ambassador. Although the United Nations Development Programme (UNDP) was responsible for the recruitment of Resident Coordinators and for their technical support, that did not mean that the Programme should assume the role of coordinating or managing the United Nations operational system.

61. The current triennial comprehensive policy review, while aiming to include the specialized agencies and regional commissions in the United Nations machinery at country level, should take into account the specific nature of the work of such institutions and especially their intergovernmental governing mechanisms. He welcomed the recommendations in the Secretary-General's report concerning development of the regional aspect of operational activities, inter alia by strengthening cooperation between the United Nations system and regional and subregional intergovernmental organizations.

62. **Mr. Benfreha** (Algeria) said that the United Nations development system, by virtue of its operational activities and comparative advantages, was best placed to strengthen the capacity of the developing countries both to attain their development priorities in accordance with their national priorities and development strategies and to achieve international development objectives, including the Millennium Development Goals. National ownership of project and programme execution was essential in that regard.

63. The triennial comprehensive policy review of operational activities should be based on the guiding principles set out in General Assembly resolution 59/250 and the decisions adopted at the High-level Plenary Meeting of the sixtieth session of the General Assembly in 2005, the Millennium Summit of the United Nations and the Monterrey Consensus of the International Conference on Financing for Development.

64. Project and programme fragmentation within the United Nations development system and the system's lack of coherence prevented the developing countries from securing optimum access to the system. The reliability and effectiveness of operational activities would be strengthened by a system-wide commitment to reducing transaction costs through the harmonization and simplification of administrative procedures, the adoption of uniform accounting standards and the sharing of resources.

65. The decline, in real terms, in core funding of the funds and programmes of the United Nations system and its specialized agencies and the use of regular resources to finance the cost of mobilizing extrabudgetary funding threatened to jeopardize their respective mandates. Predictable and stable funding within a multi-year framework was therefore required. His delegation was concerned at the increase in the number of United Nations trust funds that drew on the United Nations regular budget for their administrative budgets. That practice promoted bilateral priorities, reduced the role of governing bodies and undermined the statutory roles of entities of the United Nations system. Moreover, the adoption by some specialized agencies of the practice of zero nominal growth would jeopardize their programmes over time. Increasing competition among United Nations organizations for funding would also have a negative impact on the work of the Organization.

66. South-South cooperation and triangular cooperation were of considerable benefit, and his delegation was in favour of strengthening the role of the Special Unit for South-South Cooperation. Such cooperation should form an integral part of United Nations operational activities. In that connection, the United Nations system should provide full support for the New Partnership for Africa's Development (NEPAD). His delegation was in favour of the convening in 2008 of a United Nations conference on South-South cooperation to review progress in the implementation of the Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries, with a view to adapting the Plan of Action to reflect the current economic situation.

67. He also underscored the importance of evaluating operational activities with uniform standards and in keeping with institutional evaluation arrangements. The arrangements should be simplified and strengthened and should take into account the views of recipient countries.

68. In conclusion, he reiterated his delegation's belief that the guiding principles of operational activities of the United Nations system derived from their universal and voluntary nature and their neutrality and multilateralism.

69. **Mr. Hannesson** (Iceland) said that system-wide coherence and coordination among United Nations entities were fundamental for ensuring the effectiveness of the United Nations development system and maximizing results on the ground. The conclusions and recommendations put forward by the Secretary-General in document A/62/253 provided a solid basis for a comprehensive resolution aimed at advancing the recommendations of the High-level Panel on UN System-wide Coherence in the areas of development, humanitarian assistance and the environment. In that regard, his delegation looked forward to reviewing and building on the lessons learned from the "Delivering as one United Nations" pilots.

70. National ownership should be at the heart of operational activities and the United Nations agencies, funds and programmes should align their assistance with national development and poverty reduction strategies. The transition from relief to development was a delicate process requiring strong coordination among all actors. Fragmentation and duplication were especially detrimental to success in post-conflict and disaster situations. Particular attention therefore should be paid to streamlining operational activities in such situations in order to ensure timely, effective and coherent assistance.

71. While acknowledging the progress already made, his Government emphasized the importance of accelerating gender mainstreaming and heightening the focus on the empowerment of women at the country level. It was also important to improve the gender balance in appointments within the United Nations. He wished to place on record his delegation's strong wish for a much improved gender architecture headed by an under-secretary-general.

72. Although internal coherence and coordination within the United Nations specialized agencies, funds and programmes were essential, the United Nations must also enhance its cooperation and harmonization with other development partners operating in the field. That was particularly true in disaster and post-conflict situations, and his delegation supported ongoing efforts to improve collaboration with the Bretton Woods institutions to that end.

73. **Mr. Chabar** (Morocco) said that the triennial comprehensive policy review of operational activities for development of the United Nations system was the most important item on the Committee's agenda at its current session. Practical solutions should be found to problems encountered in the field in order to enhance

the effectiveness of the system, ensure that support matched the specific requirements of each country, simplify response procedures and ensure full respect for the principle of national ownership.

74. Efforts to improve coherence and coordination of the system should focus on strengthening the role of the Resident Coordinator, although that was not an end in itself and care must be taken not to create an unnecessary bureaucracy. The ultimate objective should be to facilitate the work of the agencies in the field by enhancing transparency and openness, thereby improving their effectiveness and the quality of their work for the benefit of aid recipients, while ensuring full respect for the mandates established by the competent United Nations bodies and the principle of national ownership.

75. The task of ensuring the predictability and stability of funding for operational activities was a major challenge. The relevant agencies, donors and recipient countries must work together to find solutions consistent with national development strategies. As was the case in his country, civil society and the private sector should be involved in designing and executing cooperation projects. However, Resident Coordinators should not serve as "mediators" or "facilitators" in the dialogue between NGOs and the national authorities to which they were accredited.

76. As United Nations statistics demonstrated, South-South cooperation had become a driving force for economic and social development and boosted the growth potential of developing countries. Morocco had made South-South cooperation the keystone of its cooperation policy and strove to strengthen such cooperation at the regional, subregional and interregional levels. To that end, it focused on innovative projects that promoted human and sustainable development and involved the beneficiaries in defining their needs and priorities. In April 2007 his country had hosted the first African Conference on Human Development, at which the 45 participating African countries had clearly demonstrated their commitment to strengthening solidarity and cooperation among their countries in order to improve the lives of the people of Africa. He drew attention in that connection to the Rabat Declaration on human development in Africa (A/62/155) adopted at the Conference. His delegation supported the proposal to convene a United Nations conference on South-South cooperation that would elaborate ways to optimize the impact of the United Nations system on South-South and triangular cooperation. Greater coherence of the assistance which the United Nations system provided for South-South cooperation was essential.

77. **Ms. Smith** (Australia) said that the United Nations operational system should be capable of delivering real, measurable and measured results in supporting the achievement of country-owned and country-led development objectives in the most efficient and effective way possible.

78. Although the documentation currently before the Committee concerning the triennial comprehensive policy review contained many important elements, some issues critical to improving operational activities had not been highlighted. The relevant resolution to be adopted by the General Assembly in 2007 should reaffirm all the elements set out in General Assembly resolution 59/250, consolidate the advances already made and call for further strengthening of the United Nations operational system. For example, much remained to be done with regard to gender mainstreaming, a fact that was recognized by the Secretary-General in document A/62/73, the work of the UNDG task team on gender equality and the UNIFEM Ad Interim Executive Director at the current meeting.

79. A second key issue was the coherence of United Nations operations at the country level. In that connection, her delegation applauded the work that countries and United Nations country teams were doing in the context of the United Nations Development Assistance Framework (UNDAF). Further steps should be taken to make a common UNDAF the norm, not the exception, and to strengthen the assessment and focus underpinning the Framework. The adoption of "One United Nations" programmes was a logical step towards more efficient and strategic operations to deliver development outcomes. Her delegation strongly advocated greater coherence and coordination within the United Nations system, which would enable the Organization to maximize its role in reducing poverty, improving health, education and governance, promoting inclusive economic growth and achieving gender equality. Greater coherence did not mean a consolidated United Nations structure in each country; rather, the Organization would be "delivering as one", harnessing all necessary available expertise and capacity, whether in-country or external, to address the priorities of national partners.

80. Capacity development was a third priority for her Government. National ownership and leadership of development programmes could be achieved by strengthening the planning, management, performance, evaluation and accountability of partner government systems so that they were better able to implement and coordinate national development processes and external assistance. Capacity development was also critical in order to ensure that development results were sustainable. The United Nations system must take action on the statement by UNDG regarding the Organization's role in capacity development.

81. Although some progress had been made with respect to the transition from relief to development, the United Nations system and donors should make further progress in that regard. Transition required strong leadership, effective coordination, including with the World Bank, appropriate capacities and approaches, as well as timely and adequate resources.

82. Aid effectiveness and accountability, which must be shared interests of all parties concerned, were two critical issues not yet included in the review framework. They should be incorporated in the resolution to be adopted in 2007 concerning the review process. More effective aid required national ownership and the use of national systems where possible and led to lower transaction costs for partners and, ultimately, more and better development results. The development system must be accountable to all stakeholders, in particular the people of developing countries.

83. **Ms. Blum** (Colombia) recalled that the raison d'être of operational activities for development was to contribute to poverty eradication, sustained economic growth and sustainable development, within the framework of internationally agreed development goals, including the Millennium Development Goals. The process of the triennial comprehensive policy review, which was completing a cycle in the current year, was particularly relevant in that context and should continue to be taken into account in every decision by the General Assembly on that issue.

84. The review had a central role in determining guiding principles and criteria for cooperation and operational activities for development. Any reform or new norm in that field should fully respect the spirit of the intergovernmental and universal agreements reached in the context of the review. The coherence of the system should be based on those agreements, which should be observed by both donor and recipient countries, and all agencies, funds and programmes in their decisions and actions in the field.

85. Coherence implied further strengthening of coordination between all the entities involved in carrying out those activities, both at headquarters and in the field. The agencies, funds and programmes should act in a coordinated manner. Above all, coordination between the United Nations system and national governments had to be strengthened as a prerequisite for achieving greater efficiency and proper alignment with national policies and strategies. National ownership and leadership should be confirmed as the overriding principles of the triennial comprehensive policy review. Agencies of the system should act in accordance with the priorities of countries and within the boundaries of their sovereignty.

86. The process of joint construction of UNDAF in Colombia had allowed progress in that respect, facilitating alignment with the Government's national development plan and with its international cooperation strategy. The decision to be adopted by the General Assembly should further strengthen that coordination in order to consolidate communication between the system and governments and thus improve the outcomes and impacts of cooperation. It was also important to establish clear limits and criteria for the nature and scope of the Resident Coordinator's mandate, in consultation with governments and national authorities in each country.

87. Funding for development activities should be made more predictable, stable and reliable. It was also vital to establish evaluation and monitoring tools to assess the impact of operational activities for development. The agencies should give priority to strengthening their strategies to favour a transition from relief to development, enhancing the generation and strengthening of national capacities.

88. South-South cooperation was complementary in nature to North-South cooperation and a viable means of contributing to development by making use of comparative advantages, mutual benefits and solidarity. Colombia recognized the role of the United Nations as a catalyst in that type of cooperation and believed that the leadership of the Special Unit for South-South Cooperation should be strengthened. The financial, administrative and technical capacities of United

Nations agencies, as well as the mechanisms for coordination and alignment of international cooperation with national priorities, provided an appropriate framework for the implementation of triangular schemes to enhance South-South cooperation. Colombia supported the proposal to hold a conference commemorating the Buenos Aires Plan of Action and also the idea of establishing a link between the Plan and the Development Cooperation Forum of the Economic and Social Council. The Forum was to meet in 2008 and should also contribute to strengthening South-South cooperation.

89. **Mr. Kodera** (Japan) said that his country attached great importance to the triennial comprehensive policy review and that the current discussion provided an excellent opportunity to enhance the effectiveness of the United Nations system. If States failed to act, they would risk falling short of achieving the Millennium Development Goals. The 2007 triennial comprehensive policy review should therefore reflect the recommendations of the High-level Panel on UN System-wide Coherence and the informal consultations at the General Assembly, as those efforts were all related.

90. It was important to ensure that financial resources were used efficiently and effectively in the efforts to achieve the Millennium Development Goals. The triennial comprehensive policy review should strengthen the monitoring and evaluation of operational activities at the headquarters, regional and country levels. At the same time, although it was important to increase non-earmarked funding for operational activities for the United Nations organizations, the advantages of earmarked funding should not be underestimated. It was important to have a good balance between earmarked and non-earmarked funding.

91. One challenge was ensuring that UNDP functioned as an impartial manager of the Resident Coordinator system. That was the key to realizing the goal of the One United Nations Initiative at the country level and achieving system-wide coherence. Attempts to that end had already started in the pilot countries and UNDP should continue to ensure that its oversight of the Resident Coordinator system was impartial by clearly defining and separating its dual roles. It should also continue to streamline its operations to eliminate overlapping functions. Japan agreed with the assertion in paragraph 19 of the Secretary-General's report (A/62/253) that the United Nations system was expected to support national capacities that would enable developing countries to exercise ownership and leadership over external assistance and aid coordination.

92. Japan had long supported South-South cooperation, which strengthened national ownership as a prerequisite for effective development. Scattered efforts had been made within the United Nations system to mainstream South-South cooperation. In the absence of a system-wide strategy in that area, collaboration among developing countries had not been integrated successfully into operational activities. The review should provide more guidance for the United Nations role in South-South cooperation, in order to ensure greater respect for national ownership and enhance aid effectiveness in that important area.

93. Regarding the transition from relief to development in post-conflict situations, the United Nations development system should work closely with the Peacebuilding Commission. The review should provide guidance on the manner and areas of that cooperation. UNDAF and the Integrated Peacebuilding Strategies developed by the Peacebuilding Commission should be consistent and coherent.

94. Japan attached importance to mainstreaming gender considerations in development policy. The United Nations system had made steady progress in that area, but there had been insufficient analysis of gender issues in the design, implementation and evaluation of projects and programmes. Ensuring women's access to basic services at the local level should be a priority.

95. In order to achieve community-level impact, it was crucial to promote partnerships with civil society groups, NGOs and other local entities. Such a community-based bottom-up approach should be given due consideration in the review.

Agenda item 52: Macroeconomic policy questions (*continued*)

(c) External debt crisis and development (*continued*) (A/62/151 and A/62/71-E/2007/46)

96. **Mr. Al-Najem** (Kuwait), speaking in exercise of the right of reply, referred to the statement made by the representative of Iraq, in which a request had been

made for reconsideration of the issue of compensation due to Kuwait.

97. Kuwait appreciated fully the circumstances of Iraq. It was providing all kinds of political and material assistance to the Government and supported its reconstruction efforts to achieve development and progress. However, the subject of the Iraqi debt and its reduction according to the principles of the Paris Club was a completely different issue from that of compensation and its cancellation.

98. It was the policy of the new Iraqi regime, based on peaceful coexistence, good neighbourliness and respect for international commitments and obligations, which had prompted Kuwait after the fall of the former regime to show flexibility by not objecting to the reduction of the proportion allocated for compensation from 25 per cent to 5 per cent of the Iraqi oil revenues, which had been approved by the Security Council, as a gesture of support for the efforts of the new Iraqi Government and without regard for the decline in oil prices at that time.

99. The current Iraqi Government's theory that it was not liable for the actions of the defunct Iraqi regime departed from legality, as international law clearly stated that violations by a regime remained until they were fully dealt with. They could not be set aside as proposed by Iraq, as the compensation in question was for organizations, companies and individuals which had suffered damage. As an example, he referred to the compensation paid by aggressor States to the States affected during the Second World War.

100. Kuwait was confident that the Iraqi Government had no intention of evading its international obligations. In accordance with international law, it bore the consequences of the actions of the previous regime (the invasion and occupation of Kuwait, the destruction of its infrastructure and oil sector, which was its main source of income and the huge environmental devastation that affected all the countries of the region without exception). Although the current amount of compensation was affected by the high price of oil, the same was true of the remaining 95 per cent of the oil revenue that the Iraqi Government was receiving.

101. The debt reduction that Iraq had recently obtained from a large number of countries, including members of the Paris Club, which had forgiven over 80 per cent of the amount of outstanding debt, was supposed to persuade Iraq to cooperate further with the United Nations Compensation Commission on the basis of the established percentage. It was the Governing Council of the Compensation Commission that was empowered to examine the point of view of Iraq, in accordance with Security Council resolutions 1483 (2003) and 1546 (2004).

102. The amount of compensation mentioned by the delegation of Iraq ($22 billion that had been paid up to April 2007) had not been paid to Kuwait in its entirety but had been allocated to a large number of States affected by the crimes of the previous regime. One hundred countries had applied to the Compensation Commission with over two and a half million claims.

103. The Iraqi obligations set forth in the Security Council resolutions were clear. Kuwait urged the Iraqi Government to continue to fulfil its obligations, including the payment of compensation. His country would continue the support it had extended to the Government and brotherly people of Iraq in order to help them move forward with development, progress and economic reform.

The meeting rose at 5.40 p.m.